

Department of State concerning the Protocol.

The Convention, as amended by the Protocol, would be similar to recent tax treaties between the United States and other developed nations. It provides maximum rates of tax to be applied to various types of income and protection from double taxation of income. The Convention, as amended by the Protocol, also provides for resolution of disputes and sets forth rules making its benefits unavailable to residents that are engaged in treaty shopping.

I recommend that the Senate give early and favorable consideration to this Protocol, and that the Senate give its advice and consent to ratification.

George W. Bush

The White House,
November 14, 2002.

**Message to the Senate Transmitting
the United Kingdom-United States
Taxation Convention**

November 14, 2002

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital Gains, signed at London on July 24, 2001, together with an exchange of notes, as amended by the Protocol signed at Washington on July 19, 2002 (the "Convention"). I also transmit the report of the Department of State concerning the Convention.

The proposed Convention transmitted herewith would replace the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed at London on December 31, 1975, as modified by a subsequent agreement and protocols.

This Convention, which is similar to tax treaties between the United States and other developed nations, provides for maximum rates of tax to be applied to various types of income, protection from double taxation of income, and for the exchange of information. The Convention also contains rules making its benefits unavailable to persons who are engaged in treaty shopping. The proposed Convention is the first U.S. income tax convention to provide a zero rate of withholding on certain direct investment dividends.

I recommend that the Senate give early and favorable consideration to this Convention, and that the Senate give its advice and consent to ratification.

George W. Bush

The White House,
November 14, 2002.

**Message to the Senate Transmitting
the Convention on Supplementary
Compensation for Nuclear Damage**

November 14, 2002

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, with a declaration, the Convention on Supplementary Compensation for Nuclear Damage done at Vienna on September 12, 1997. This Convention was adopted by a Diplomatic Conference convened by the International Atomic Energy Agency (IAEA) and was opened for signature at Vienna on September 29, 1997, during the IAEA General Conference. Then-Secretary of Energy Federico Peña signed the Convention for the United States on that date, subject to ratification. Also transmitted for the information of the Senate is the report of the Department of State concerning the Convention.

The Convention establishes a legal framework for defining, adjudicating, and compensating civil liability for nuclear damage that results from an incident in the territory of a Party, or in certain circumstances in international waters, and creates a contingent international supplementary compensation fund. This fund would be activated in the

event of an incident with damage so extensive that it exhausts the compensation funds that the Party where the incident occurs is obligated under the Convention to make available.

The international supplementary fund would be made up largely of contributions from Parties that operate nuclear power plants. The improved legal certainty and uniformity provided under the Convention combined with the availability of additional resources provided by the international supplementary fund create a balanced package appealing both to countries that operate nuclear power plants and those that do not. The Convention thus creates for the first time the potential for a nuclear civil liability convention with global application.

Prompt U.S. ratification of the Convention is important for two reasons. First, U.S. suppliers of nuclear technology now face potentially unlimited third-party civil liability arising from their activities in foreign markets because the United States is not currently party to any international nuclear civil liability convention. In addition to limiting commercial opportunities, lack of liability protection afforded by treaty obligations has limited the scope of participation by major U.S. companies in the provision of safety assistance to Soviet-designed nuclear power plants, increasing the risk of future accidents in these plants. Once widely applied, the Convention will create for suppliers of U.S. nuclear equipment and technology substantially the same legal environment in foreign markets that they now experience domestically under the Price-Anderson Act. It will level the playing field on which they meet foreign competitors and eliminate the liability concerns that have inhibited them from providing the fullest range of safety assistance.

Second, under existing nuclear liability conventions many potential victims outside the United States generally have no assurance that they will be adequately or promptly compensated in the event they are harmed by a civil nuclear incident, especially if that incident occurs outside their borders or damages their environment. The Convention, once widely accepted, will provide that assurance.

United States leadership is essential in order to bring the Convention into force soon. With the United States as an initial Party, other countries will find the Convention attractive and the number of Parties is likely to grow quickly. Without U.S. leadership, the Convention could take many years to enter into force. The creation of a global civil liability regime will play a critical role in allowing nuclear power to achieve its full potential in the diverse and environmentally responsible world energy structure we need to build in the coming decades.

The Convention is consistent with the primary existing U.S. statute governing nuclear civil liability, the Price-Anderson Act of 1957. Adoption of the Convention would require virtually no substantive changes in that Act. Moreover, under legislation that is being submitted separately to implement the Convention, the U.S. contingent liability to contribute to the international supplementary fund would be completely covered, either by funds generated under the Price-Anderson Act in the event of an accident covered by both that Act and the Convention, or by funds contributed to a retrospective pool by U.S. suppliers of nuclear equipment and technology in the event of an accident covered by the Convention but falling outside the Price-Anderson system. In either case, U.S. taxpayers would not have to bear the burden of the U.S. contribution to the international supplementary fund.

The Convention allows nations that are party to existing nuclear liability conventions to join the new global regime easily, without giving up their participation in those conventions. It also permits nations that do not belong to an existing convention to join the new regime easily and rapidly. The United States in particular benefits from a grandfather clause that allows it to join the Convention without being required to change certain aspects of the Price-Anderson system that would otherwise be inconsistent with its requirements.

The Convention, without relying on taxpayer funds, will increase the compensation available to potential victims of a civil nuclear

incident, strengthen the position of U.S. exporters of nuclear equipment and technology, and permit us to provide safety assistance to the world's least-safe reactors more effectively.

I urge the Senate to act expeditiously in giving its advice and consent to ratification of the Convention on Supplementary Compensation for Nuclear Damage, with a declaration as set forth in the accompanying report of the Department of State.

George W. Bush

The White House,
November 14, 2002.

NOTE: This message was released by the Office of the Press Secretary on November 15. An original was not available for verification of the content of this message.

Statement on the North Korean Nuclear Weapons Program

November 15, 2002

I welcome yesterday's strong statement by the Korean Peninsula Energy Development Organization (KEDO) on the need for North Korea to eliminate its nuclear weapons program and its decision to suspend further shipment of fuel oil to North Korea beginning in December. We are working closely with our partners in KEDO and our friends around the world to address this shared challenge.

North Korea has acknowledged that it is actively pursuing a nuclear weapons program based on enriched uranium. This program undermines regional and international security and the international nonproliferation regime. North Korea is also in direct violation of the North's commitments under the Agreed Framework, the Nuclear Nonproliferation Treaty (NPT), its International Atomic Energy Agency Safeguards Agreement, and the Joint North-South Declaration on the Denuclearization of the Korean Peninsula. North Korea's clear violation of its international commitments will not be ignored.

The United States hopes for a different future with North Korea. As I made clear during my visit to South Korea in February,

the United States has no intention of invading North Korea. This remains the case today. The United States seeks friendship with the people of North Korea.

In June 2001, we offered to pursue a comprehensive dialog with North Korea. We developed a bold approach under which, if the North addressed our longstanding concerns, the United States was prepared to take important steps that would have significantly improved the lives of the North Korean people. Now that North Korea's covert nuclear weapons program has come to light, we are unable to pursue this approach.

North Korea's nuclear weapons program is a challenge to all responsible nations. The leaders of the Asia-Pacific region made clear in a unanimous statement in October that North Korea's potential to benefit from participation in the international community rests upon the prompt and visible dismantlement of this program. We are united in our desire for a peaceful resolution of this situation. We are also united in our resolve that the only option for addressing this situation is for North Korea to completely and visibly eliminate its nuclear weapons program.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

November 10

In the afternoon, the President returned from Camp David, MD, to Washington, DC.

November 11

In the morning, the President visited the Vietnam Veterans Memorial on The Mall. Later, he and Mrs. Bush traveled to Arlington, VA, where they participated in a Veterans Day wreath-laying ceremony at Arlington National Cemetery. In the afternoon, they returned to Washington, DC.